

States of Guernsey
Finance Industry – Brexit Key Messages
For Guernsey Finance, GFSC GIBA.
28 June 2016

Guernsey is clear in its objectives - the status quo of its relationships. The States needs to ensure it engages with the UK to:

- i. protect Guernsey's interests in the UK exit agreement,**
 - ii. replace Protocol 3,**
 - iii. protect our constitutional relationship with the UK,**
 - iv. look at, and take advantage of, new trading opportunities.**
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- **Stability:** The impact on Guernsey is limited compared to the change that the UK will now need to go through in order to leave the EU. We offer stability.
 - Guernsey is not in the UK and it is not part of the UK.
 - Guernsey does not have party politics.
 - When the UK leaves the EU will only have a limited impact on Guernsey's trade in goods arrangements with the EU (and not at all for trade in services).
 - The trade relationships with the UK (for goods and services) will not be impacted. This covers the majority of our economy.
 - Guernsey is a third country for the trade in goods for services now and will remain a third country when the UK leave.
 - Where Guernsey has negotiated bilateral arrangements for access to market in the EU and these will remain in place when the UK leaves the EU.
 - The new trade in goods arrangements with the EU will be dependent the UKs new relationship the EU.

 - **Preparedness:** Right now there are probably more questions than answers, but there is little merit in speculation or exploring every scenario.
 - We know where our interests lie, we have been engaged in the process since 2012 and we are ready to undertake the task that is in hand.
 - We have invested in our relationship with the UK and EU over the years, including through the Channel Islands Brussels Office, this will assist us in the coming weeks, months and years.
 - We are ready to look for new trade deal opportunities. This may include extending the UK's membership of the World Trade Organisation or looking at any new market access agreements in services.
 - Where there is change there is risk but there is also opportunity. By being prepared we can embrace those opportunities.

 - **Positioning:** Guernsey a stronger global position and its commitment to external engagement is better than ever before.

- We are, and will continue to, work with others who have shared interests, including the other CDs and the other members of the BIC. We are liaising closely with Alderney and Sark.
- We have much better connections with Whitehall, Westminster, Brussels and other jurisdictions in 2016 than in 1972. We can use this to ensure our interests are represented.
- We understand our position in the global economy – we are net contributors to UK and EU. (see KPMG Report)
- Guernsey has a well established reputation as a financial services centre. Its standards of tax transparency are acknowledged by the UK, OECD and EU. It is committed to establishing a register of beneficial ownerships to build on the access to information under its company law and the regulation of fiduciaries. Its corporate tax regime has already been recognised as not being harmful by the EU's Code of Conduct group.